

their hands, would have seized a firm grip upon the entire trade of the Adriatic.

## ITALIAN SITUATION HAS FAVORABLE TURN

### Count Di Celleri Has Conference With Wilson.

By the Associated Press.  
PARIS, May 2.—The Italian situation today is more favorable than it has been for some time. The indications were that some arrangement would be made for Italy to be represented when the peace treaty was presented to the Germans next week.

Count Macchi di Cellere, the Italian Ambassador to the United States, had a conference late today with President Wilson. This is regarded as an indication that Italy is considering a resumption of her place at the Peace Conference.

Neither President Wilson nor the Italian Ambassador made any statement regarding the subject under discussion. The interview was sought by Count Macchi di Cellere, and took place after the regular conference between President Wilson and Premier Clemenceau and Lloyd George.

Meanwhile, Thomas Nelson Page, American Ambassador, and Camille Barrere, French Ambassador, are making efforts at Rome to find, by conversations with Premier Orlando, a formula which will head off the Italian delegation from the Peace Conference. Mr. Page has had two long conferences with the Italian Premier, who is said to be a supporter of the peace treaty, but who thinks that overtures should come from Paris.

The newspapers report that there have been many conferences between President Wilson and the Italian Ambassador, and that the Italian Ambassador is making efforts at Rome to find, by conversations with Premier Orlando, a formula which will head off the Italian delegation from the Peace Conference.

According to one report, the Italian peace treaty without Italy has been avoided. Ambassador Barrere is said to be very optimistic.

Premier Orlando has written a letter deprecating anti-American demonstrations, saying that the Minister of the Interior has taken steps to stop them, paying particular attention to manifestations and the anti-American campaign directed against President Wilson.

The Italian Cabinet appears to consider that any overtures should be on the basis of giving Italy as much as it is entitled to, but that the loss of the city to her might cause an uprising menacing the Government.

One suggestion has been made for a solution by means of a formula recognizing Italian authority over the city, but leaving its ultimate control to a plebiscite.

Some of Premier Orlando's friends, according to advice received here, are urging him to resign as the best means of eliminating any personal element standing in the way of a resumption of the negotiations.

The departure for Trieste of Gen. Diaz, the Italian commander in chief, followed the receipt of reports that the Jugo-Slavs might make a military demonstration to hold Fiume, the Government desiring to have him near the scene.

All the foregoing developments in Rome, the advice concerning which came through the best informed channels, have not appeared to shake the confidence of the Allies in the granting of Fiume to Italy.

ROME, May 2.—(Delayed.)—News-papers favorable to the Government protest against the continuation by the Peace Conference of negotiations with the German delegates without the participation of Italy, because, they say, it violates the treaty between the Allies forbidding a separate peace. The Tribune says:

"The Allies are pledged to us by a sacred treaty. They cannot sign a separate peace without treason. President Wilson may be an autocrat, but not to the point of imposing the shame of treason upon Great Britain and France."

The idea Nazionale asks how the Peace Conference could declare the League of Nations unanimously approved last Monday while Italy was absent; how the conference could assign Rio-Chau to Japan when Italy was not present, and how could the conference present the preliminaries of peace to the German delegates without Italy acting with them? The paper adds:

"The conference has placed itself outside the alliance of Italy," the paper said, "Italy must answer by the annexation of the territories she claims."

The Epoca today prints a letter from Prof. George D. Herron, declaring that grave injustice is being done to Italy and that the people of the various countries do not know what is happening behind the scenes in Paris.

Prof. Herron affirms positively that a settlement of the Adriatic question was about to be effected on two occasions and that it only failed as a result of the intrigues of a few international financiers, diplomatically privileged, who, he declares, are the real cause of the existing crisis and of all the political and moral failures of the Peace Conference, and on whom "will fall the responsibility for the ruin threatening the world."

This group, Prof. Herron declares, seeks concessions for the development of Fiume and the Dalmatian ports so as to monopolize shipping on the Adriatic. The scheme, he says, is one which contemplates the exploitation of the Serbian people and entailing complete commercial ruin on Italy by driving her flag off the seas and destroying her commercial and political relations with Rumania and the Balkans.

## GERMANS SAY LABOR ENVOYS ARE BARRED

### Allies' Delegates Fail to Suit Socialists.

By the Associated Press.  
BERLIN, May 2 (delayed).—First reports from the German newspapers in Versailles appeared today in the Neue Zeitung am Mittag and the Lokal-Anzeiger.

The correspondent of the Zeitung am Mittag criticizes the allied delegations because labor in the German socialist sense does not represent the United States, Canada, South Africa, India or Japan. He says that the British labor representative is not a Socialist and has been repudiated by the British Labor party; that Premier Hughes of Australia, although originally a union man, now has the labor forces against him, and that the German labor representatives were depressed in reading the allied list.

Count von Brockdorf-Rantzau, the correspondent says, evidently was satisfied with the meeting Thursday in the Trianon Palace Hotel because it removed all doubt about negotiation and exchange on a basis of mutual equality, proving that no dictated peace is planned.

The Lokal-Anzeiger correspondent says that the peace terms cannot be shown to the Germans before Saturday because the return of Premier Orlando and Foreign Minister Sonnino is expected and the Italian situation must be cleared up first.

PARIS, May 3.—In a German wireless dispatch picked up in Paris describing the first meeting of the German delegates with representatives of the Allies the attitude of the French officials is characterized as "cold but correct."

The message declares that the French and British press treat the arrival of the Germans as a matter of minor importance and that, according to the Dutch papers, the American press has displayed a similar indifference.

## BERLIN'S MAY DAY A GHASTLY JOKE

With Theatres and Beer Halls Closed Idle Workers Had Nowhere to Go.

## HOTEL PATRONS UNFED

### Paralysis of Traffic Also Proves Weapon in Averting Gatherings.

By a Staff Correspondent of The Sun.  
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BERLIN, May 2 (delayed).—Germany's May Day celebration was the most complete in the history of the nation, if a nation's complete lack of knowledge of what to do with itself may be called celebrating.

Under czarlike orders from the various political leaders every form of work or activity was prohibited, and as a result the entire industrial machinery of the nation was at a complete standstill.

The Puritans of old never enforced a more rigid Sabbath. There was a day of rest with a vengeance.

Although not a wheel was turning one had the impression that the day was one of deep political agitation and movement. Because of the complete tie-up of all traffic the people were reduced to walking. The patrons at all the Berlin hotels, including the Adlon, who have the Americans quartered, had to wait upstairs and down, no elevators being in operation. The hotel dining rooms and all the restaurants were closed, and the visitors got to eat what was served to them in their rooms, or what they had themselves provided against the contingency.

Even the Movies Shut Up.  
All the film shows and theatres were closed and the cafes and beer halls were open only in cases where the proprietors, assisted by the members of his immediate family, was disposed to work.

As a result of all these restrictions the main avenue of the city was thronged with promenaders. The throngs paraded up and down, grumbling because of being all dressed up and no place to go. This resulted in thousands attending the open air mass meetings in various parts of the city, where they were addressed by political leaders of various shades of opinion.

In the evening many gambling places were open and overcrowded. If the Socialist leaders succeeded in forming a greater attendance at their meetings through the closing of all places of business they also succeeded in denying a large part of the population by turning what should have been a holiday into a dull political Sabbath.

This was a great hardship when it is understood that the German people are unaccustomed to the shutting down of all business on Sunday, as in America. The day was expressly dull to them for that reason.

**Soldiers in the Background.**  
The closing down of all traffic lines was undoubtedly a tactical measure to prevent concentration of people in the center of the city for purposes of "demonstrating" against the Government, which feared disorders. Gustave Noske, Minister of Defence, who is to leave soon for Munich, personally assumed charge of police and military arrangements. He did not permit an ostentatious display of troops, as on previous occasions, but kept the soldiers well in the background, where they would be unlikely to cause hostile demonstrations. They were ready, however, for instant action.

Capt. Pabst, Noske's chief of staff, told THE SUN correspondent that no trouble was expected before Friday or Saturday, numerous strikes being postponed for those days. The impending strike of telegraphers and railway men is causing great anxiety. The railway men demand increases in pay aggregating two billion marks (\$200,000,000) annually.

**FOE MUST PAY \$35,000,000.**  
Brazil Demands Cost of Confiscated Coffee Stocks.  
RIO DE JANEIRO, May 3.—Dr. Epitacio Pessoa, President-elect of Brazil and head of the Brazilian delegation to the Peace Conference, has sent word here by cable that the conference has decided that Germany shall pay the cost of the coffee stocks confiscated at Hamburg and Antwerp at the beginning of the war, together with interest on the sum involved.

The value of the coffee in question, it is stated, was \$35,000,000.

**AMERICAN COLORS DECORATED.**  
Regiments of Two Brigades Honored on Banks of Rhine.  
Special Cable Dispatch to THE SUN from the London Times Service.  
Copyright, 1919, all rights reserved.  
CONGRESS, May 3.—Gen. Mark L. Hersey, commanding the Fourth Division of the American Expeditionary Forces, has decorated the colors of all regiments of the Seventh and Eighth brigades.

The impressive ceremony, which took place on the banks of the Rhine, was witnessed by many British officers, whose area of occupation is contiguous.

PARIS, May 3.—The text of the statement of the Chinese delegation to the Peace Conference regarding the decision of the Council of Three in the Shantung award reads:

"The Chinese delegation has been informed orally on behalf of the Council of Three of the outline of the settlement proposed regarding the Shantung question. Under this settlement all rights to Kiao-Chau, formerly belonging to Germany, are transferred to Japan. While Japan voluntarily engages to hand back the Shantung Peninsula in full sovereignty to China, she is allowed to retain the economic privileges formerly enjoyed by Germany."

"These privileges, the delegation is informed, refer to the Tsing-tao-Chinan railway, 280 miles long, the mines connected with it and the two railways to be built connecting Shantung with the two trunk lines from Peking to the Yangtze Valley. In addition she obtains the right to establish a settlement at Tsing-tao and, although the Japanese military forces, it is understood, will be withdrawn from Shantung at the earliest possible moment, the employment of special railway police is permitted."

"Such being the outline of the proposed settlement, the Chinese delegation cannot but view it with disappointment and dissatisfaction."

"These German rights in Shantung originated in an act of wanton aggression on both sides of the Chinese frontier, and to transfer these rights to Japan, as the Council of Three proposes to do, is, therefore, to confirm an act of aggression which has been resented by the Chinese people ever since its perpetration."

"Such a virtual substitution of Japan for Germany in Shantung is serious enough in itself, but becomes grave when the position of Japan in Southern Manchuria and Eastern Mongolia is read in connection with it. Firmly insistent on the right of the Gulf of Pechili, the water outlet of Peking, with a hold on the three trunk lines from Peking and connecting it with the rest of China, the capital has been an enclave in the midst of Japanese influence."

"Moreover, owing to China's declaration of war against Germany, the abrogation of all treaties and agreements between China and these powers, the German rights automatically ceased to exist. This declaration was officially notified to and taken cognizance of by the Allied and Associated Governments. It is, therefore, significant that the council in announcing the settlement of the Kiao-chau-Shantung question referred to the rights to be transferred to Japan as the rights formerly belonging to Germany."

**The Weaker Only Suffer.**  
"It appears clear then that the council has been bestowing on Japan the rights, not of Germany, but of China; not of an enemy, but of an ally. The more powerful ally has reaped a benefit at the expense, not of the common enemy, but of the weaker ally. Besides Shantung is China's holy land, packed with memories of Confucius and Mencius and hallowed as the cradle of her civilization."

"If it is the intention of the council to restore to China it is difficult to see on what consideration of principle or of expediency can be justified the transfer in this far from an allied power which then voluntarily engaged to hand it back to the rightful owner."

"Japan has its claim for the German rights in Shantung, but the treaty of 1915 and the note of 1918 and China. It is to be noted, however, that the documents of 1915 were agreed to by China under coercion of an ultimatum threatening war in case of non-compliance with the twenty-one demands."

"The notes of 1918 were made by China as the price for Japan's promise to withdraw her troops, whose presence in the interior of Shantung as well as the establishment of Japanese civil administration in the hinterland had aroused such popular opposition that the Chinese Government felt constrained to make the arrangement."

"The Chinese delegation understands that the council was prompted by the fact that Great Britain and France had undertaken in February and March, 1917, to support at the Peace Conference the transferring to Japan of the German rights in Shantung. To none of these secret agreements was China a party nor was she informed of their contents when invited to join the war against the Central Empire. The fortunes of China appear thus to have been made objects of negotiation and compensation after she already had definitely allied herself with the allied Powers."

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"China came to the conference with a strong faith in the lofty principles adopted by the allied and associated Powers as the basis of a just and permanent world peace. Great therefore will be the disappointment and disillusion of the Chinese people over the proposed settlement."

**MARSHALL DEFENDS PEACE COVENANT**  
Vice-President Says Opposition Is Political.  
PHILADELPHIA, May 3.—Vice-President Marshall in an address before the American Academy of Political and Social Science here tonight in support of the League of Nations declared the covenant did not infringe upon the rights of the United States Congress and expressed the opinion that much of the opposition to the plan results more from political than patriotic reasons.

Agitation over the Monroe Doctrine was characterized by Mr. Marshall as a "tempest in a teapot."

"There were two conclusions drawn from the Monroe Doctrine," the Vice-President said, "one of which was good for the American republics, and the other was bad. The conclusion that it was the doctrine of self-defense against the aggressions of European nations on the western shore was good, but the doctrine of self-defense against the aggressions of European nations on the western shore was distinctly bad. It would be the pride of these republics and instead of drawing them toward America it furnished reason for them to listen to the insidious wiles of European diplomacy. When all men pledge their honor to maintaining the integrity of the American republics, it is not only the duty of the United States to assume for itself the discharge of the duty."

Mr. Marshall said he hoped the American people always would be true to the idea of justice and not force as the ruling power of the world.

## 40,000,000 PLACED UNDER JAPAN RULE

Continued from First Page.

man treaty will recognize that Japan alone is to deal with the transfer of German holdings in China.

Second, through the wording of Article XXI. of the league plan, Japan can and will at the proper time insist that her Far East policy, as embodied in the Lansing-Ishii agreement, shall be made valid.

While Japan did not obtain the racial equality clause, she still has this in reserve to bring before the league, meanwhile having used it effectively to gain concessions of greater value at the present time.

What excites the admiration of Japanese diplomacy among observers here, particularly as Japan appeared to be up again the fourteen points as much as any other claimant, is the way the Mikado's envoys were able to wait until it was time for them to act and the manner in which they got what they wanted in spite of the fact that they were in a peculiarly isolated position among the league workers.

British aid for Japan having cooled greatly in the last year, Japan could almost be said to be without friends at the conference.

Great Britain and the other European nations take less interest in Far Eastern affairs than does America, though even at times she has been the possible menace of the yellow race in the distant future.

The Japanese showed such an early lack of interest in the league plan that they were the subject of much regretful comment by the President's friends among the league workers. Nevertheless at the right time Japan suddenly became interested in the league to the extent of injecting the race question, knowing well the league couldn't be born without unanimity. Then, when the President and Premier Lloyd George had planned to postpone the Chinese question until the German treaty was out of the way, she suddenly laid before them the Shantung demands, with the insistence that they must be settled before she would sign any German treaty.

This demand was not pressed until the Italian crisis came about. Then, as a result of this combination in the victory she has now achieved in having German-Chinese territory turned over to her without any written pledge to the President that she will carry out his fourteen points, her only written promise being with China, and this fixed no date. In other words, Japan can wait five or ten years before carrying out this pledge if she desires, though the President's idea, undoubtedly, is that she would not dare do this in the face of the League of Nations.

It is understood from the President's friends here that while he feels China has lost out in one sense in these decisions she has gained in getting in the League of Nations. This idea seems to close observers to permeate the President's policy. He will make everything right in the end, no matter what is done now.

Yet it is pointed out here that he used the league argument against Italy in favor of the Jugo-Slavs, and for Japan against China. The President and Col. House are believers in the present covenant as a world peace pact, to an extent which has caused amazement in conference circles, and the President and Col. House are the only two real negotiators for the American mission.

The President seems to have demonstrated some time over the Japanese-Chinese police arrangement for the railways, but here again Japan won her point, insisting she must have Chinese police with Japanese officers, which in the Chinese mind means domination by Japan. The Japs say that when the police force becomes official she will withdraw Japanese officers.

As to when they will return the sovereignty rights in Shantung to China, they decline to say, although there are intimations that it will be shortly. The diplomats here represent the Japanese government as more or less an imperialist, but it was the agreement party which exacted the agreement from China, and this party may be returned to power at any time.

The Matsui speaks of the Americans "having made many concessions to Japan to avoid a conflict in which they would directly suffer."

**CHINA'S PROTEST IN THE SHANTUNG CASE**  
Says Grave Situation Is Caused by Cession to Japan.  
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"Such a virtual substitution of Japan for Germany in Shantung is serious enough in itself, but becomes grave when the position of Japan in Southern Manchuria and Eastern Mongolia is read in connection with it. Firmly insistent on the right of the Gulf of Pechili, the water outlet of Peking, with a hold on the three trunk lines from Peking and connecting it with the rest of China, the capital has been an enclave in the midst of Japanese influence."

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**GERMANS PERSIST IN UNBEATEN DREAM**  
Majority of People Still Believe in Tales Spread by Militarists.  
ALLIES "CAME TO REASON"

Maximilian Harden Gives Further Insight Into Reasoning of Teuton Mind.  
Special Cable Dispatch to THE SUN from the London Times Service.  
Copyright, 1919, all rights reserved.  
LONDON, May 3.—How widely the view prevails that the Germans are unbeaten is clear from Maximilian Harden's latest issue of *Die Zukunft* in which he asserts that however hard its conditions, granting the armistice might be accepted as proof that German enemies did not think of destroying her even when her destruction seemed attainable.

"This," says Harden, "is understood by the minority of serious and fair minded men. But the largely predominating majority really believe what is told them by the militarists, who have become neither extinct nor impotent, that we are not the conquered nor beaten, that we were compelled to accept an armistice not by fear of a catastrophe to the army, but because there was no longer any victory to fight for, also because the enemy had finally come to reason and offered us a treaty which allotted us the right and duties of the fourteen points, but which the Entente, now we have voluntarily made ourselves defenceless and despicable, breaks, with the silent blessing of America. The desire to annihilate is thus clearly proved, and the militarists are therefore right, that is in public opinion."

"In the classes dominated by Karl Marx and his doctrine this opinion is completely by the addition of that socialism is the father of all earthly ills, and under various masks is equally bad everywhere, as it caused the war and now prevents a tolerable peace. A pamphlet just published by Gen.

von Freytag-Loringhoven, which describes the technical difficulties of the retreat of the German armies across the Rhine, says the successful accomplishment must rank as one of the finest feats of the army when it was still accustomed to war and victory.

"He is bitter as to the conditions imposed by the Allies, saying many of them were so severe that they could have been dictated only with the object of making it impossible for the armies to complete their task as coherent units. The men were broken in spirit, horses used up, the transport almost useless and the authority of the officers sapped by the soldiers' councils."

"The object of the Allies would have been attained and it would have been only a disorganized rabble that crossed the Rhine but for two psychological factors that the enemy had forgotten. The men realized that they were going home and day after day, as they got further from the seat of war and instead of the forced marches becoming shorter the men were willing to cover more ground; secondly, after the long experience of living among a hostile population, they came again among their own friends and the welcome they received from the German people warmed their hearts."

Foreign Minister von Brockdorf-Rantzau said this condition in order to cover his responsibility.

Premier Scheideemann, on the other hand, is anxious, with the object of lightening the burden on his shoulder, to submit the question of final acceptance to the people by a referendum. In official bureaucratic quarters this course is strongly objected to. The procedure, it is argued, is too long and complicated and the people are not prepared or sufficiently informed of details to pronounce judgment on so important a matter.

Opinion, they say, is divided, public feeling is much excited, and a vote may lead to demonstrations and disturbances. Moreover, such a decision, if adopted by the people, would be binding for the future, and it would be impossible for any future Government to endeavor to obtain any alteration of the clauses without again referring to the people who vote their acceptance.

"This argument in the mouth of bureaucratic functionaries is specially significant. Therefore, in opposition to the Scheideemann Cabinet's wish, it is considered that the course to be followed will be that delegates from Weimar will advise the Government on the question of acceptance or rejection by the Government, which will throughout remain in constant contact with the delegates in Versailles and will follow all developments."

"It will have to adopt the decision as a whole and submit it for final acceptance to the Weimar assembly. Meanwhile the members of the Cabinet will remain in Berlin and will only proceed to Weimar when ready to lay the question before the National Assembly."

**POLES WILL KEEP DANZIG.**  
Gen. Haller Declares People Will Never Give It Up.  
Special Cable Dispatch to THE SUN from the London Times Service.  
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THIS HAGUE, May 3.—A Thorn telegram says that Gen. Haller has informed the Polish Press Bureau that from the moment he entered Polish territory he regarded Gen. Plsudski and the Polish National Assembly as the supreme governing power. He is nominally subordinate to Marshal Pilsudski. He declared his readiness to take a solemn oath in the name of the Polish people that Poland will never give up Danzig.

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Special Cable Dispatch to THE SUN from the London Times Service.  
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LONDON, May 3.—How widely the view prevails that the Germans are unbeaten is clear from Maximilian Harden's latest issue of *Die Zukunft* in which he asserts that however hard its conditions, granting the armistice might be accepted as proof that German enemies did not think of destroying her even when her destruction seemed attainable.

"This," says Harden, "is understood by the minority of serious and fair minded men. But the largely predominating majority really believe what is told them by the militarists, who have become neither extinct nor impotent, that we are not the conquered nor beaten, that we were compelled to accept an armistice not by fear of a catastrophe to the army, but because there was no longer any victory to fight for, also because the enemy had finally come to reason and offered us a treaty which allotted us the right and duties of the fourteen points, but which the Entente, now we have voluntarily made ourselves defenceless and despicable, breaks, with the silent blessing of America. The desire to annihilate is